

## § 1724.1

1724.21 Architectural services contracts.  
1724.22–1724.29 [Reserved]

### Subpart C—Engineering Services

1724.30 Borrowers' requirements—engineering services.  
1724.31 Engineering services contracts.  
1724.32 Inspection and certification of work order construction.  
1724.33–1724.39 [Reserved]

### Subpart D—Electric System Planning

1724.40 General.  
1724.41–1724.49 [Reserved]

### Subpart E—Electric System Design

1724.50 Compliance with National Electrical Safety Code (NESC).  
1724.51 Design requirements.  
1724.52 Permitted deviations from RUS construction standards.  
1724.53 Preparation of plans and specifications.  
1724.54 Requirements for RUS approval of plans and specifications.  
1724.55 Dam safety.  
1724.56–1724.69 [Reserved]

APPENDIX A TO SUBPART E TO PART 1724—  
HAZARD POTENTIAL CLASSIFICATION FOR  
CIVIL WORKS PROJECTS

### Subpart F—RUS Contract Forms

1724.70 Standard forms of contracts for borrowers.  
1724.71 Borrower contractual obligations.  
1724.72 Notice and publication of listed contract forms.  
1724.73 Promulgation of new or revised contract forms.  
1724.74 List of electric program standard contract forms.  
1724.75–1724.99 [Reserved]

AUTHORITY: 7 U.S.C. 901 *et seq.*, 1921 *et seq.*, 6941 *et seq.*

SOURCE: 63 FR 35314, June 29, 1998, unless otherwise noted.

## Subpart A—General

### § 1724.1 Introduction.

(a) The policies, procedures and requirements in this part implement certain provisions of the standard form of loan documents between the Rural Utilities Service (RUS) and its electric borrowers.

(b) All borrowers, regardless of the source of financing, shall comply with RUS' requirements with respect to design, construction standards, and the

## 7 CFR Ch. XVII (1–1–01 Edition)

use of RUS accepted material on their electric systems.

(c) Borrowers are required to use RUS contract forms only if the facilities are financed by RUS.

### § 1724.2 Waivers.

The Administrator may waive, for good cause on a case-by-case basis, requirements and procedures of this part.

### § 1724.3 Definitions.

Terms used in this part have the meanings set forth in §1710.2 of this chapter. References to specific RUS forms and other RUS documents, and to specific sections or lines of such forms and documents, shall include the corresponding forms, documents, sections and lines in any subsequent revisions of these forms and documents. In addition to the terms defined in §1710.2 of this chapter, the following terms have the following meanings for the purposes of this part:

*Architect* means a registered or licensed person employed by the borrower to provide architectural services for a project and duly authorized assistants and representatives.

*Engineer* means a registered or licensed person, who may be a staff employee or an outside consultant, to provide engineering services and duly authorized assistants and representatives.

*Force account construction* means construction performed by the borrower's employees.

*GPO* means Government Printing Office.

*NESC* means the National Electrical Safety Code.

*RE Act* means the Rural Electrification Act of 1936 as amended (7 U.S.C. 901 *et seq.*).

*Repowering* means replacement of the steam generator or the prime mover or both at a generating plant.

*RUS* means Rural Utilities Service.

*RUS approval* means written approval by the Administrator or a representative with delegated authority. RUS approval must be in writing, except in emergency situations where RUS approval may be given orally followed by a confirming letter.

*RUS financed* means financed or funded wholly or in part by a loan made or

## Rural Utilities Service, USDA

## § 1724.10

guaranteed by RUS, including concurrent supplemental loans required by § 1710.110 of this chapter, loans to reimburse funds already expended by the borrower, and loans to replace interim financing.

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### § 1724.4 Qualifications.

The borrower shall ensure that:

(a) All selected architects and engineers meet the applicable registration and licensing requirements of the States in which the facilities will be located;

(b) All selected architects and engineers are familiar with RUS standards and requirements; and

(c) All selected architects and engineers have had satisfactory experience with comparable work.

### § 1724.5 Submission of documents to RUS.

(a) *Where to send documents.* Documents required to be submitted to RUS under this part are to be sent to the office of the borrower's respective RUS Regional Director, the Power Supply Division Director, or such other office of RUS as designated by RUS. (See part 1700 of this chapter.)

(b) *Contracts requiring RUS approval.* The borrower shall submit to RUS three copies of each contract that is subject to RUS approval under subparts B and C of this part. At least one copy of each contract must be an original signed in ink (i.e., no facsimile signature). Each contract submittal must be accompanied by a certified copy of the board resolution awarding the contract.

(c) *Contract amendments requiring RUS approval.* The borrower shall submit to RUS three copies of each contract amendment (at least one copy of which must be an original signed in ink) which is subject to RUS approval. Each contract amendment submittal to RUS must be accompanied by a certified copy of the board resolution approving the amendment.

### § 1724.6 Insurance requirements.

(a) Borrowers shall ensure that all architects and engineers working under contract with the borrower have insur-

ance coverage as required by part 1788 of this chapter.

(b) Borrowers shall also ensure that all architects and engineers working under contract with the borrower have insurance coverage for Errors and Omissions (Professional Liability Insurance) in an amount at least as large as the amount of the architectural or engineering services contract but not less than \$500,000.

### § 1724.7 Debarment and suspension.

Borrowers shall comply with the requirements on debarment and suspension in connection with procurement activities as set forth in part 3017 of this title, particularly with respect to lower tier transactions, e.g., procurement contracts for goods or services.

### § 1724.8 Restrictions on lobbying.

Borrowers shall comply with the restrictions and requirements in connection with procurement activities as set forth in part 3018 of this title.

### § 1724.9 Environmental compliance.

Borrowers shall comply with the requirements of part 1794 of this chapter, Environmental Policies and Procedures for Electric and Telephone Borrowers.

### § 1724.10 Standard forms of contracts for borrowers.

The standard loan agreement between RUS and its borrowers provides that, in accordance with applicable RUS regulations in this chapter, the borrower shall use standard forms of contracts promulgated by RUS for construction, procurement, engineering services, and architectural services financed by a loan made or guaranteed by RUS. This part implements these provisions of the RUS loan agreement. Subparts A through E of this part prescribe when and how borrowers are required to use RUS standard forms of contracts for engineering and architectural services. Subpart F of this part prescribes the procedures that RUS follows in promulgating standard contract forms and identifies those contract forms that borrowers are required to use for engineering and architectural services.

[63 FR 58284, Oct. 30, 1998]